Collecting Safeguards Relevant Trade Information: The IAEA Procurement Outreach Programme

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Overview

• Development of the Safeguards System
• The Procurement Outreach Programme
• Secure Handling of Data
IAEA safeguards

IAEA objective:
• Provide credible assurance to the international community that States are fulfilling their safeguards obligations; that no nuclear material is diverted from peaceful uses to nuclear weapons or other nuclear explosive devices

IAEA reaches safeguards conclusions on:
• Non-diversion of nuclear material placed under safeguards
• Absence of undeclared nuclear material or activities in a State
Evolution of IAEA safeguards

• Facility level
  • Focus on nuclear materials

• State level – since 1990s
  • Information for the State as a whole
  • State evaluation
  • Focus also on indicators of undeclared activities

• Trans-national level – since early 2000s
  • Proliferation networks
Proliferation networks

• Information emerged when certain covert nuclear programmes were revealed

• Interconnected individuals or groups engaged in nuclear-related trade
  • Often related to uranium enrichment
  • Trading in (dual-use) goods, materials, services, technology
  • May or may not be State related
  • Non-state actors increasingly involved

• No verification tools to address trans-national proliferation challenges in the past
  • Challenge to States, companies, IAEA, other organizations
Why a Procurement Outreach Programme?

• Visible traces are left behind by those trying to acquire nuclear related goods, services or technology for covert nuclear weapons programmes

• Access to places where traces might be found
  • Through bilateral voluntary arrangement between IAEA and State/companies
  • Companies serving nuclear industry
  • Select companies involved in nuclear related industrial processes

• IAEA Procurement Outreach Programme since 2006
Nuclear trade-related data – visible traces

Visible traces of nuclear trade related data “The Iceberg”

- Export approvals & denials
- Verbal advice
- Unfulfilled enquiries
- Actual Trade

Suspicious

Visibility through licensing

Not normally visible
Enquiry documents

- Communications from potential purchasers to companies
  - Faxes, emails, other contact data
  - May be thrown away as useless contacts
  - May identify middlemen or end-users and provide early detection of undeclared activities

- IAEA would like complete documents
Interesting enquiry document – example

Vacuum furnace

Multiple countries involved

Several telephone numbers, some are not connected

One of listed companies is a known ‘player’

Transmitted from a public fax
Key points Procurement Outreach Programme

• Provides unique information
  • From diverse primary sources
  • On attempts to covertly acquire nuclear goods or services
  • That helps to gauge proliferation risk
  • On trends in covert trade – “industry knows first”

• Voluntary for States and companies
  • Focuses on export denials and procurement enquiries
  • Targets intermediate traders and non-State actors
  • Not export control mechanism
Nuclear Trade Related Data in the SG System

State Declarations

Data Open & other sources

Analyse & evaluate data (state Ev.)

Plan verification activities

Safeguards Conclusions (SIR)

Conduct verification activities

Results of verification activities

Nuclear Trade Related Data
Procurement Tracking System Reporting

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Link Analysis
Flow of complementary data (TTA)

Information sources
- Sensitive source
- Export denials
- Procurement enquiries
- Other

TTA (isolated LAN)
- Source protection
  - Pre-processing
  - Preliminary storage
  - Processing
  - Storage (PTS)
  - Research
  - Dissemination

SG clients
- Analysis report
- Analysis report
- Analysis report

Accessible only to TTA staff

Standard reports – source not revealed
TTA - physical and information security
Summary

• **Proliferation Networks**
  • Challenge to States, companies, IAEA, other organizations

• **Procurement Outreach Programme**
  • Most effective mechanism to identify those goods that are being sought by suspicious organizations
  • Promotes partnership in fighting proliferation
  • Not focused on control of exports
  • Can only work with active support of companies and States